VZCZCXRO4858 RR RUEHDU RUEHJO RUEHMR RUEHRN DE RUEHSB #1114 2511024 ZNR UUUUU ZZH R 081024Z SEP 06 FM AMEMBASSY HARARE TO RUEHC/SECSTATE WASHDC 0576 INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY RUEHUJA/AMEMBASSY ABUJA 1308 RUEHAR/AMEMBASSY ACCRA 1158 RUEHDS/AMEMBASSY ADDIS ABABA 1312 RUEHBY/AMEMBASSY CANBERRA 0573 RUEHDK/AMEMBASSY DAKAR 0938 RUEHKM/AMEMBASSY KAMPALA 1366 RUEHNR/AMEMBASSY NAIROBI 3740 RUEHFR/AMEMBASSY PARIS 1135 RUEHRO/AMEMBASSY ROME 1783 RUEHBS/USEU BRUSSELS RUEHGV/USMISSION GENEVA 0584 RHEHNSC/NSC WASHDC RUCNDT/USMISSION USUN NEW YORK 1529 RUEKJCS/JOINT STAFF WASHDC RUEHC/DEPT OF LABOR WASHDC RUEATRS/DEPT OF TREASURY WASHDC RUEKDIA/DIA WASHDC//DHO-7// RUCPDOC/DEPT OF COMMERCE WASHDC RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK//DOOC/ECMO/CC/DAO/DOB/DOI// RUEPGBA/CDR USEUCOM INTEL VAIHINGEN GE//ECJ23-CH/ECJ5M//

UNCLAS HARARE 001114

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E.O. 12958: N/A TAGS: <u>ETRD</u>

SUBJECT: GSP REVIEW COMPETITIVE NEED LIMITATION WAIVER:

GOVERNMENT OF ZIMBABWE RESPONSE

**REF: STATE 128359** 

- 11. The following are comments received from the Government of Zimbabwe's (GOZ) Ministry of Industry and International Trade on September 6, 2006 concerning the General System of Preferences (GSP) Review as they pertain to Zimbabwe in response to talking points delivered per reftel.
- 12. "As you may be aware, Zimbabwe has not been exporting ferrosilicon to the American market for the past few years. This is basically because we have not been producing the product, in view of the fact that we could not export it competitively given the prevailing world market prices. The cost of production, on the other hand, had also risen and we could not sustain it on the basis of the low international prices. It is pleasing to note that there has since been an improvement in the price levels and the producers of ferrosilicon have once again decided to revisit exports of ferrosilicon.
- It is against this background that the Government of the United States of America is kindly requested to consider extending Zimbabwe's GSP eligibility for ferrosilicon into the next calendar year. Exports of ferrosilicon would certainly contribute to economic growth in Zimbabwe and generate the much needed foreign exchange for sustainable economic development." Signed, Mrs. Beatrice Mutetwa for Secretary for Industry and International Trade.

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